

ORGANIZATIONAL CULTURE AND ORGANIZATIONAL COMMITMENT ON JOB PERFORMANCE

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Abstract

The study aimed to examine the effect of organizational culture and organizational commitment on job performance for employees of companies engaged in manufacturing in Indonesia. The paper used a casual quantitative survey design as the basis for the research. A sample of 75 employee selected from the overall populations. The data we collected separately by the respondents filling in a questioner. The model was applied to analyze the data which had been previously treated with the correlation procedure. The employee performance is assumed to be significantly affected by the organizational culture and organizational commitment that pertain in the companies engaged in manufacturing. The result proved that the employee performance was directly affected by the organizational culture and organizational commitment in companies engaged in manufacturing.

Keywords: organizational culture, organizational commitment, job performance

INTRODUCTION

An organization or company must have a goal to be achieved. Therefore the management of labor as a human resource (HR) must be done professionally by a separate department within an organization. In organization, organizational culture is the key to the success of innovation (Lemon, & Sahota, 2004; Büschgens, Bausch, & Balkin, 2013). When the organizational culture has been agreed as a corporate strategy then the organizational culture can be used as a tool to improve performance. With the empowerment of organizational culture in addition to producing quality human resources, will also be a determinant of success of the company. Organizational culture is a patterned and fixed way for organizations to carry out tasks and maintain human relationships within the organization (Yang, & Maxwell, 2011). Organizations that do not have a strong culture tend to lack self-identity and adopt other corporate cultures that may not suit their organizations. Each organization has an organizational culture that serves to form rules or guidelines in thinking and acting to achieve the goals set. In addition to organizational culture in achieving organizational goals, the employee's commitment to the organization is one of the key processes that are gradual and long enough to achieve organizational goals.

Organizations must give full attention and make employees believe in the organization, so that employees will gain commitment. Commitment that can be understood as the desire of employees to continue working in the organization in the form of attachment that exists between individuals and organizations, and is reflected in the relative strength of the employee's psychological identification and involvement with the organization (Meyer, 1997). A committed employee will be an added advantage to an organization. If the employee's commitment has been obtained will be obtained a loyal employee, and able to work as well as possible for the benefit of the organization. This situation is very good for the achievement of organizational goals, because the organization has the full support of its members so that it can concentrate fully on the priority objectives.

LITERATURE REVIEW

Performance

Performance consists of a series of different activities that contribute to the organization in different ways. High performance levels are the result of employees, as well as from superiors and colleagues. (Bakker & Bal, 2010; Christian, Garza, & Slaughter, 2011; Bakker, Demerouti, & Ten Brummelhuis, 2012; Halbesleben & Wheeler, 2008; Salanova, Agut, & Peiró, 2005). Borman and Motowidlo (1993) argued that job performance can be divided into tasks and contextual. Performance tasks are the result of work tasks associated with the reform mission. In other words, contextual performance is rooted in helplessness and cooperation.

Organizational Culture

The concept of organizational culture is one of the most influential concepts in research and management practice (Jarnagin & Slocum, 2007). Organizational culture can be defined as a set of shared values and ways of behaving interdependent that commonly occur in the organization and tend to be taught to new members as it is. Organizational culture represents the character of an organization, which directs the employees' day-to-day work relationships and guides them on how to behave and communicate within the organization and to guide how the hierarchy of the company is built. Each individual is unique and equipped with different characteristics and behavioral styles.

This also applies to business organizations, which have a unique culture that affects organizational operations. Organizational culture can be assumed to have important implications, in addition to individual affective reactions in organizational life, but can also be an important indicator of company performance (Deshpandé & Farley, 2004; O'Cass and Viet Ngo, 2007). Organizational culture is closely linked to certain groups of people who have worked together for a long period of time. This is the most important factor that shapes behavior.

Organizational Commitment

The concept of organizational commitment has long been considered important in management research because of its association with various outcomes that potentially impact on the organization (Permarupan, et al., 2013). Porter et al. (1974) defines organizational commitment as trust and acceptance of organizational goals and values, the willingness to mobilize efforts toward goals, attainment, and a strong desire to maintain organizational membership (Demirtas & Akdogan, 2015). Commitment can also be enhanced by facilitating the acquisition of knowledge and skills, which can improve employee performance. Halbesleben (2010) states that "the nature of high identification involvement should result in high levels of relationship with results such as organizational commitment." Meyer and Allen (1984) propose three component conceptualizations within organizational commitment. The three components are affective commitment is the first component that refers to the emotional attachment of employees to the identification, and involvement in the organization, the second component is a commitment to sustainability that refers to the commitment based on the costs incurred by leaving the employee, The perspective of this commitment comes from the theory of 'side- bets' Becker (Culpepper, 2011). Becker considers commitment as a consistent line of activity. If people cannot continue their activities, they will have a sense of loss. The last component of normative commitment refers to the sense of obligation of employees to remain within the organization. This feeling is thought to originate from an early socialization process that may be family or culture-based, but may also be influenced by the organization. The usual three components of commitment are the view that commitment is a psychological state that (a) characterizes the employee's relationship with the organization and (b) implicates the decision to continue or terminate membership in the organization.

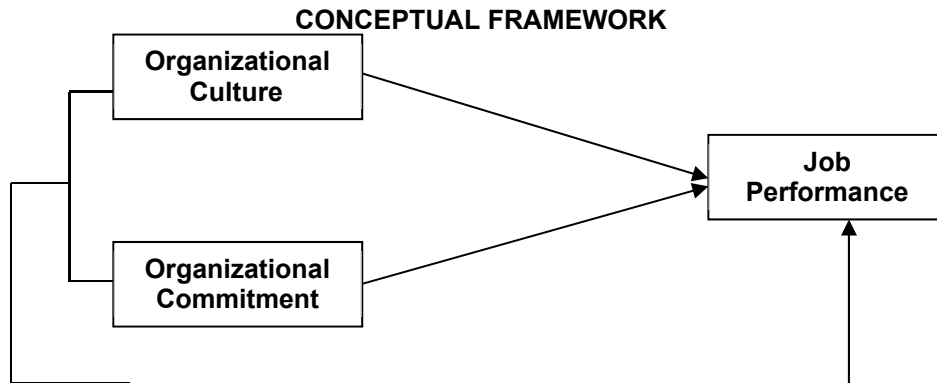


Figure 1: Proposed Conceptual Framework

From the conceptual framework proposed in Figure 1, it appears that there are independent variables that influence dependent variables such as organizational culture on performance, organizational commitment to performance, as well as organizational culture and organizational commitment to performance.

Organizational Culture On Job Performance

The role of organizational culture is closely related to the company's competitive performance. Many leaders recognize that performance comes from interdependent behaviors such as cooperation, sharing knowledge, and helping each other. Kotter and Heskett (1992) found empirical support of organizational culture on performance. The results show that firms with a strong culture that emphasizes employee orientation, shareholder orientation, and leadership have a higher long-term performance. While a destructive organizational culture is associated with ineffective performance (Gelfand et al., 2012). In serving the culture is a positive thing and can encourage employee behavior to improve performance (Cameron & Spreitzer, 2012).

H1: Organizational culture has a significant positive effect on job performance

Organizational Commitment On Job Performance

Some researchers have generally concluded that there is a positive relationship between commitment and performance (Allen & Meyer, 1996; Mathieu & Zajac, 1990). Khan et al. (2010) indicates a positive relationship between organizational commitment and employee performance and on comparative analysis of three dimensions of organizational commitment, normative commitment has a positive and significant effect on worker performance. Darolia et al. (2010), in a survey of 231 male skilled workers from various units of National Fertilizer Ltd., India, found a positive correlation between organizational commitment, and organizational support and their significant contribution in determining job performance.

H2: Organizational commitment has a significant positive effect on job performance

RESEARCH METHODOLOGY

Sampling Design

Respondents in this research are employees of companies engaged in manufacturing in Indonesia with about 100 employees. Questionnaires were developed for company employees. Questionnaires were

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distributed to 20 supervisors, and 80 questionnaires were distributed to 80 staff. The number of questionnaires returned were 17 supervisor questionnaires and 58 staff questionnaires, each representing 85.0 and 72.5%. After 25 non-return questionnaires consisted of 22 staff and 3 supervisors so only 75 samples for this study.

Research Procedure

We tested the feasibility of respondents score in an organization using various assessment methods, among others, by partial analysis with t test between variables, F-test and variance analysis (ANOVA) (Dixon & Cunningham, 2006). Variables used to calculate the number of respondents. In the organization, there are as many as 75 respondents, assuming the type of organizational culture and organizational commitment that comes from the higher number of respondents provides a stronger assessment. This weight is used in regression and by descriptive analysis.

DATA ANALYSIS

In this study, the respondents can be described in Table 1. The sample in this study has a balanced representation between men and women, and the respondents are average young age with an average age of 25-35 years, the youngest respondents are 25 years old and the eldest 45 years old. Only two respondents were over 40 years old. Respondents who join the company are between 1 and 4 years old, and they have 4-10 years industry experience.

Table 1: Respondent characteristics

	<i>n</i>	%
Gender		
Women	35	46.7
Men	40	53.3
Total	75	100
Age		
Up to 30	25	33.3
31–35	35	46.7
Older than 35	15	20.0
Total	75	100
Professional experience		
Up to 4 years	38	50.7
4–10 years	32	42.7
Over 10 years	5	28
Total	75	100
Employment duration with company		
Up to 1 years	36	48.0
1–4 years	32	42.7
More than 4 years	7	9.3
Total	75	100

Table 2: Descriptive Statistics and Correlations for All Variables

	M	SD	1	2	3
1. Organizational Culture	32.8	4.7	1		
2. Organizational Commitment	41.8	5.7	.67**	1	
3. Job Performance	39.2	3.6	.78**	.57**	1

N = 75;

Alpha reliabilities.

*p < .05. **p < .01. ***p < .001

Table 2 displays the mean, standard deviation, and correlation values for organizational culture, organizational commitment, and job performance. We examine the correlation between variables to test the effect on job performance. In general, these results are consistent with our hypothesis. that bivariate correlation shows a positive correlation between organizational culture and job performance ($r = 0.78$, $p < .001$), a positive correlation between organizational commitment and job performance ($r = 0.57$, $p < .001$), and a positive correlation between organizational culture and organizational commitment ($r = 0.67$, $p < .001$). The correlations between and descriptive statistics for the variables in the study is shown in Table 2. As expected, organizational culture and organizational commitment is significantly correlated with the job performance.

CONCLUSION AND DISCUSSION

The results of this research show that there is a relationship between organizational culture and organizational commitment on job performance. This finding has important implications for management development, especially in relation to human resource development and performance for employees. The organizational culture is a very important factor in the organization so that the effectiveness of the organization can be improved by creating the right culture and can support the achievement of organizational goals. The influence of the use of organizational culture is one of the solutions in the face of increasingly complex challenges. When the organizational culture has been agreed as a corporate strategy then the organizational culture can be used as a tool to improve performance. With the empowerment of organizational culture in addition to producing quality human resources, will also be a determinant of success of the company. Meanwhile, This organizational commitment is more related to feelings about the job obligations that must be given to the organization. Individuals are committed to the organization because of the need to commit because it is perceived that the organization benefits. Individuals also feel compelled to commit to the organization because of an obligation in themselves, and provide the view that commitment is a psychological condition that characterizes the relationship between employees and the organization and has implications for individual decisions to remain in the organization. So that will directly affect the high performance of each employee.

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